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SUBJECT: CONGRESSMAN WEXLER'S APRIL 10 VISIT TO ANKARA

**¶11.** (SBU) Summary: Representative Robert Wexler met April 10 with PM Erdogan, FM Gul, Economy Minister and lead EU negotiator Babacan, D/CHOD Kosaner, PM foreign policy advisor Davutoglu, and Turkish Union of Chambers President Hisarciklioglu. Wexler's message was that although the HAMAS visit had hurt Turkey in Washington, we need to focus on areas of mutual interest and cooperation, which far outweigh our differences. Minister Babacan laid out Turkey's recent economic achievements and EU progress, but warned that political factors, particularly Cyprus, could prove difficult. FM Gul stressed the commonality of U.S. and Turkish interests; both he and Babacan hinted that reaction to the HAMAS visit had made them re-think its wisdom. PM Erdogan characterized bilateral ties as strong but defended the HAMAS visit. End Summary.

Economy Minister and EU Negotiator Babacan

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**¶12.** (SBU) Economy Minister Babacan, also the chief negotiator for Turkey's EU accession, reviewed the positive economic developments in 2005, including 7.4% GDP growth a reduction in the inflation rate to 7.7%, a lower ratio of government debt to GDP, and strong foreign direct investment inflow of \$9.8 billion, of which a considerable share had come from GE Capital's investment in a Turkish bank. He acknowledged that the current account deficit was high at more than 6% of GDP, but claimed that at least two points of this came from higher energy prices. Noting that other EU accession countries, such as Poland, had large current account deficits in the run-up to their membership, Babacan thought it was "normal" for Turkey to have a similar experience. Furthermore, the new floating exchange rate system was a shock absorber.

**¶13.** (SBU) On the EU accession process, Babacan said the process was proceeding smoothly at a technical level. Screening was complete for nearly half of the 35 chapters and the first chapter negotiations should begin in May. Political issues had proven more difficult than economic ones. More work needed to be done to meet the Copenhagen criteria in full, especially in the area of implementation. The Cyprus issue was "a very important case" that could also slow down or block progress. He thought that setting political benchmarks for the opening of technical chapters was unfair, but that Cyprus remained the greatest risk.

¶4. (SBU) Asked by Wexler what could be done to boost bilateral trade with the United States, Babacan noted the efforts that had been made to resolve commercial disputes, mentioning the Motorola and Cargill cases (he did not mention the new problems that recently cropped up for Cargill.) He noted that there were some other commercial issues, but said they were being addressed. Babacan also said that extending the Qualifying Industrial Zone (QIZ) initiative to Turkey had been on the agenda, but that Turkey had had concerns with the involvement of a third country (i.e. Israel) in the initiative. While Turkey was happy with the U.S. positions on Cyprus and EU membership, Babacan thought that a resolution of the Cyprus issue would also pay political dividends to the extent that it reduced risk perceptions.

¶5. (SBU) As in his other meetings throughout the day, Wexler raised his concern over the visit of HAMAS officials to Turkey and the impact this would have on relations with the United States. Wexler said that the most unhelpful aspect of the visit was that it had emboldened critics of Turkey in the United States and deflated those who were working for a better relationship. Babacan explained that the decision to receive Mishal had been made with the best of intentions, with the thought that Turkey could pass a strong message to reject violence and accept Israel. However, in retrospect it was clear that Turkey's good intentions had been misunderstood. Wexler said Turkish officials should have realized the impact the visit would have on relations with the U.S. and the lack of impact it would have on HAMAS and said he had hoped for better analysis from Turkish leaders. Babacan said Turkey believed that its political and economic success could help inspire a positive image, but now realized the consequences of the HAMAS visit and how it was perceived.

Turkish Union of Chambers President Hisarciklioglu

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¶6. (SBU) Wexler also met the head of the Turkish Union of Chambers (TOBB), the leading Turkish business federation, Rifat Hisarciklioglu, who expressed his hope for expanded economic relations between the United States and Turkey as a stronger "third leg" (along with political and security ties) for the overall relationship. Hisarciklioglu noted that TOBB was working with the U.S. Chamber of Commerce on a USG-funded project to enhance contacts between U.S. and Turkish SMEs. He said that Turkish business was contributing to Iraq's return to a normal life and that Turkish business circles shared U.S. views about Iran's nuclear program. He also said that TOBB cooperation with the Israeli Manufacturers Association and the Palestinian Chamber of Commerce to develop the Erez Industrial Zone was continuing at a technical level with the support of Prime Minister Olmert, former PM Peres, and President Abbas. Hisarciklioglu added that he found the work of the Congressional Study Group to be valuable and that TOBB would continue to support it.

PM's Foreign Policy Advisor Davutoglu

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¶7. (SBU) The Prime Minister's senior foreign policy advisor Ahmet Davutoglu emphasized that the U.S. and Turkey share a strategic vision on the EU, Balkans, Caucasus, Middle East, and Asia. However, this common strategic vision has been threatened by a series of downturns caused by external factors like the book "Metal Storm" in 2005 and the movie "Valley of the Wolves" in 2006.

¶8. (SBU) Davutoglu repeatedly emphasized the importance of political stability and managing public opinion. He noted that Turkey has passed through a decade of political and economic instability and Ankara wants domestic, regional, and international stability to prevail. He said that U.S. foreign policy in the region is correct and Ankara has been supporting Washington, but U.S. policies are very ambitious

and the USG must do more to feel the pulse of the people in the region. Turkey supports the U.S. goal of regional democratization, but democratization can only succeed if there is stability. The U.S. and Turkey, moreover, must demonstrate to the people that the two countries are on the same side. The PKK issue is causing problems with Turkish public opinion and the U.S. and Turkey must discuss the future of the Iraqi city of Kirkuk now, before it becomes a major problem in bilateral relations or fuels Turkish-Kurdish tensions within Turkey.

¶9. (SBU) Congressman Wexler praised PM Erdogan's "progressive" decision to advocate greater democratization as the solution to the ongoing Kurdish problem. He also reiterated the initiatives the USG has undertaken to help Turkey against the PKK, but acknowledged that U.S. action has not lived up to Turkey's expectations.

Foreign Minister Gul

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¶10. (SBU) FM Gul emphasized the commonality of U.S. and Turkish interests and values. He stressed the importance of maintaining positive relations, but added that Turkey has become more democratic and Turks have become more independent and outspoken in their views. In Gul's view, one should not fear the diversity of voices within Turkey, but appreciate that the GOT needs time to educate the Turkish public on certain issues.

¶11. (SBU) Gul noted U.S.-Turkish cooperation on Iraq and Iran and defended his decision to meet with HAMAS. Turkey is opening a new consulate in Mosul and had encouraged the Sunni Arabs to participate in the last Iraqi election. On Iran, Turkey does not want any WMDs in its neighborhood and is aligning itself with the international community. The world must show a united front to Iran and encourage Tehran to uphold its international obligations. Gul, however, also emphasized that no one wants to see another war in the region. On HAMAS, Gul said he believed it was important for HAMAS's first post-election visit to be to Turkey, rather than Iran. However, he expressed reluctance to take what he

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termed another risk on HAMAS since, in his view, Turkey's efforts were not understood.

D/CHOD Kosaner

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¶12. (SBU) TGS Deputy Chief General Isik Kosaner extolled the strength of the U.S.-Turkey military-to-military relationship. Despite some ups and downs since WWII, the mil-mil relationship had "no problems" and, quoting CJCS Gen Pace's remarks in Ankara a few weeks earlier, the relationship is "crucial" for both countries. He emphasized how Turkey has stood shoulder to shoulder with the U.S. in the global war on terrorism, underscoring the Turkish military's contributions to Afghanistan, including its plan to take over command together with France and Italy of the Central Region and to open a PRT in Wardak. Representative Wexler responded that he was heartened to hear such a warm evaluation of the relationship, because he recalled other times when it was not that way. He said Washington appreciated the role Turkey was playing in Afghanistan, and noted that appreciation was growing for Turkey's contributions in Iraq.

¶13. (SBU) The Congressman asked what Kosaner would advise militarily regarding northern Iraq and Kirkuk. Kosaner, noting that it was more a political than a military issue, underscored the importance of Kirkuk. Its resources should be used to the benefit of all Iraqis. He warned that attempts to change the province's status through demographic shifts or to devote Kirkuk's natural resources to one group would damage the "internal balance" within Iraq. Kirkuk

should either have a special status or its future should be decided by a nation-wide referendum, he advised.

¶14. (SBU) The other issue in northern Iraq of concern for Kosaner was the PKK. The group uses its bases in northern Iraq to equip, man and train cadres sent to Turkey to commit terrorism. Journalists easily visit them in their camps. But as Turkey is standing with the U.S. in the global war on terrorism, a terrorist group targeting Turkey exists in a country under the USG's control. This is hard for the Turkish public to understand. Having just come from a funeral for an officer killed by the PKK, it was easy to understand why the people demand action. We know where they are, but we cannot do anything because of the U.S., he said.

PM Erdogan

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¶15. (SBU) Erdogan said Turkey is affected by the &turmoil8 in Iraq, Afghanistan and across the Middle East. He noted Turkey is cooperating with the U.S. in the region. The political, economic, and military ties between the U.S. and Turkey are strong and will continue to be so. While the media and &other circles8 often speculate about ruptures in the relationship, GOT leaders know that what counts is their direct contact with high-level USG officials.

¶16. (SBU) Wexler noted that a Turkish journalist had asked him earlier if the USG had determined that its relationship with the AKP government was no longer important. He was troubled by the question. There are disagreements, but no one in Washington has written off the bilateral relationship. The AKP government has made extraordinary progress since coming to power in 2002, implementing many economic and political reforms. Moreover, the AKP enjoys more popular support than previous Turkish governments. He said Turkey,s critics in Washington fail to recognize these realities.

¶17. (SBU) Wexler said many in Washington are grateful to Turkey for the role it is playing in Afghanistan, though Turkey is not getting as much credit as it should. There is also a growing appreciation for Turkish cooperation in Iraq. He said he would ask only one &favor8 of the PM ) that when he makes foreign policy decisions, he consider as one factor the impact those decisions will have in Washington. Turkey should be careful to avoid moves that weaken its allies in Washington and strengthen its enemies. This is particularly relevant in light of the decision to invite HAMAS leaders to Ankara.

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¶18. (SBU) Regarding HAMAS, Erdogan said all parties must show faith in democracy and accept those for whom the Palestinian people voted. Hamas will have to give up violence. It will not be able to renounce its previous positions overnight, but its rhetoric is starting to soften. Turkey is telling them that they have to become democratic now that they have been elected. No other Muslim country could deliver that message.

¶19. (U) Congressman Wexler did not clear this message.

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WILSON